



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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BOE Chair Horton Urges Taxpayers to Report and Pay Use Tax

California Board of Equalization (BOE) Chairman Jerome E. Horton today reminded taxpayers to report and pay the amount of use tax owed as they file their income tax returns due this year on April 18, 2011.

“Use tax is owed when individuals or businesses in California use, consume, give away or store tangible personal property, for example things you can see, weigh, feel or touch, that they purchase from out-of-state sellers,” Horton explained, “including purchases from online retailers like Amazon.com.”

The easiest way for a consumer to report and pay use tax is on the Franchise Tax Board State Income Tax return. On the line called “Use Tax”, a consumer should put the amount of use tax owed and send in the payment. Use tax owed is calculated based on the purchase price of the item and sales tax rate in your local area. Sales tax rates in California range from 8.25% - 10.75%, depending upon where you live.

Consumers should retain their receipts and invoices and check to see if sales or use tax was collected at the time of sale. Consumers should also look for other indications that there is no use tax obligation or that it has been taken care of, for example, a notation that the item was shipped from within the state or an invoice or statement that California tax requirements have been met.

While the simplest way for a consumer to pay use tax is through the use tax line on the income tax return, consumers may also register with the BOE as a use-taxpayer. Retailers registered with the BOE are required to pay use tax with their regular sales tax returns. Service industry businesses with gross receipts of over \$100,000 are required through legislation passed in 2009 to register with the BOE as a “qualified purchaser” for the purpose of paying use tax.

For more information about California use tax, visit www.boe.ca.gov.

Elected in 2010, Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the BOE Legislative Committee chairman. Horton is the first African American to serve on the BOE since its inception in 1879 and the third African American constitutional officer in California’s history. Horton previously served as a California State Assembly Member from 2000-2006.

The five-member BOE is a publicly elected tax board. It collects more than \$48 billion annually in taxes and fees supporting state and local government services. It also hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

California Use Tax Information: <http://www.boe.ca.gov/taxprograms/usetax/index.html>

BOE California Use Tax Return: <http://www.boe.ca.gov/pdf/pub79b.pdf>

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